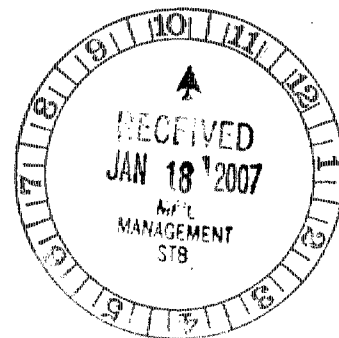


RECORDATION NO. 24957-M STB

JAN 18 '07

10-49 AM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214

VIA UPS 2nd DAY AIR

January 16, 2007

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated December 26, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24957.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Montreal, Maine & Atlantic Railway, Ltd.
Northern Maine Junction Park
RR2 Box 45
Bangor, MN 04401-9602

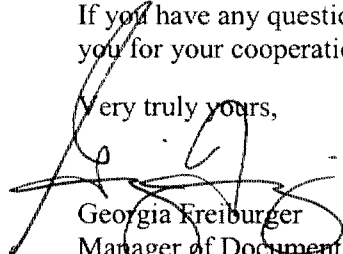
A description of the railroad equipment covered by the enclosed document is thirty (30) 5277 cu. ft. box cars, with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: **Memorandum of Lease**

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Kreiburger
Manager of Documentation

Enclosures

(MMAR016)

ASSGN. NO.: MMAR016

JAN 18 '07

10-49 AM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 26 day of DECEMBER, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Montreal, Maine & Atlantic Railway, Ltd., a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 1, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 16 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 1, 2006 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour
 Name: RICHARD F. SEYMOUR
 Title: VICE PRESIDENT SALES & MARKETING
 Executed on this 3rd day of January, 2007.

By: Susan Grokulska
 Name: SUSAN GROKULSKY
 Title: MGR. OF DOCUMENTATION

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

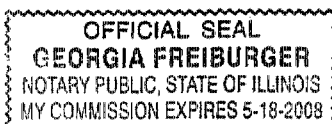
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of January, 2007.

[Signature]
 Notary Public

My Commission Expires:

5-2008
 (Notary Public)

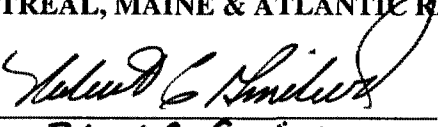


LESSEE:

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

ATTEST:

By: Fredric W. Yarn Jr.
Name: Fredric W. Yarn, Jr.
Title: Vice President

By: 
Name: Robert C. Grindrod
Title: President & CEO

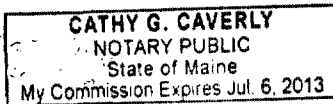
Executed on this 26 day of DECEMBER, 2006.


[CORPORATE SEAL]

STATE OF Maine
COUNTY OF Penobscot

I, Cathy Caverly, a Notary Public of the County and State
aforesaid, certify that Robert C. Grindrod personally appeared before me this
day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 26 day of December, 2006.




Notary Public

My Commission Expires:

7/6/13
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Thirty (30)
- II. DESCRIPTION OF CARS: Boxcars, 70-ton, cushioned, 50' 6" with 9' sliding doors,
5277 cu. ft., Plate "C", loading to 220,000 lb. capacity (AAR
car type A402)
- III. CAR NUMBERS:
- NOKL 088151
NOKL 088152
NOKL 088153
NOKL 088154
NOKL 088155
NOKL 088156
NOKL 088157
NOKL 088158
NOKL 088160
NOKL 088164
NOKL 088165
NOKL 088170
NOKL 088172
NOKL 088173
NOKL 088174
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